

AN ORDINANCE      99700

**AUTHORIZING THE CITY MANAGER TO NEGOTIATE AN AGREEMENT WITH THE BROOKS DEVELOPMENT AUTHORITY ("BDA") FOR A LOAN AND/OR GRANT IN AN AMOUNT NOT TO EXCEED \$1.5 MILLION FROM THE ECONOMIC DEVELOPMENT INCENTIVE FUND ("EDIF") FOR FACILITIES, ROAD AND RELATED INFRASTRUCTURE IMPROVEMENTS AT BROOKS CITY-BASE TO PROMOTE ECONOMIC DEVELOPMENT AT BROOKS CITY-BASE; AND APPROVING AN EXCEPTION TO THE ECONOMIC DEVELOPMENT INCENTIVE FUND GUIDELINES.**

\* \* \* \* \*

**WHEREAS**, Brooks City-Base ("Brooks") was officially established on July 22, 2002 with the transfer of 1,310 acres of land and improvements comprising Brooks Air Force Base (the "Base") to the Brooks Development Authority (the "BDA"), which was established by City Council on September 27, 2001; and

**WHEREAS**, the United States Air Force ("Air Force") became the primary tenant by subsequently leasing facilities from the BDA to continue operating their military missions at Brooks; and

**WHEREAS**, this unique partnership is a collaborative effort between the Air Force, the City of San Antonio (the "City") and the BDA which is designed to retain the Air Force missions and jobs, improve the military value of Air Force missions, assist the Air Force in reducing its support operating costs, as well as promote and enhance economic development at Brooks and on the Southside; and

**WHEREAS**, to achieve these goals, the BDA and the City are leveraging the physical and intellectual assets at Brooks to attract companies and jobs in the biotechnology industry and related sectors such as health services; and

**WHEREAS**, the City is also providing municipal services to Brooks and has been providing fire and police services since October 2001, while the BDA transferred Base electric, gas and water utilities to City Public Service and San Antonio Water System; and

**WHEREAS**, there are currently 3,900 jobs at Brooks, 3,659 of which are provided by the Air Force as the major tenant occupying 95% of the marketable lease space; and

**WHEREAS**, without new construction and investment in infrastructure to support new development projects, there is currently no lease space available for attracting new commercial tenants and additional jobs; and

**WHEREAS**, the BDA is currently negotiating three significant economic development projects that include a pharmaceutical manufacturer, a school of pharmacy and a major retail

development, all of which could potentially provide up to 500 new jobs to be located at Brooks over the next 12-18 months; and

**WHEREAS**, the BDA has requested \$1.5 million in funding from the City's Economic Development Incentive Fund (EDI) to support construction of public facilities (owned by the BDA) and related infrastructure in support of these projects, as well as aiding in the attraction of other future tenants; and

**WHEREAS**, although granting this request would require an exception to policy under the Economic Incentive Fund Guidelines regarding the minimum amount of investment and job creation, this project supports the Strategic Plan for Enhanced Economic Development by supporting the attraction and retention of targeted industries and promoting economic development in targeted areas; and

**WHEREAS**, the City Council finds that authorizing the City Manager to negotiate a loan and/or grant agreement with the BDA is in the best interests of the City; **NOW THEREFORE**:

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Council hereby approves the use of a loan and/or grant in the total of \$1.5 million from the Economic Development Incentive Fund for facilities, road and infrastructure improvements to support development projects at Brooks thereby granting an exception to the EDIF guidelines.

**SECTION 2.** The City Council also hereby authorizes the City Manager or designee to negotiate the loan and/or grant agreements with the Brooks Development Authority in a total amount not to exceed \$1.5 million to be funded from the Economic Development Incentive Fund.

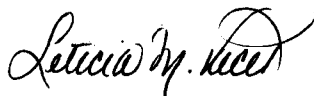
**SECTION 3.** The City Manager or designee is authorized to negotiate the loan and/or grant agreements referenced in Section 1 for a period not to exceed 60 days.

**SECTION 4.** This ordinance shall be effective on and after the tenth (10th) day after passage hereof.

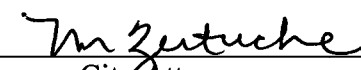
**PASSED AND APPROVED** this 9th day of September, 2004.

  
**M A Y O R**  
EDWARD D. GARZA

**ATTEST:**

  
City Clerk

**APPROVED AS TO FORM:**

  
for City Attorney